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**TOWN OF COTTONPORT, LOUISIANA**  
**FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED**  
**DECEMBER 31, 1996**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor or employees, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 30 1997

**ALBERT R. LEGER, CPA**  
**A PROFESSIONAL CORPORATION**  
**333 F. MARCEL STREET**  
**MARKSVILLE, LOUISIANA**

## TOWN OF COTTONPORT, LOUISIANA

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Paul A. Gauthier, Mayor  
and the Board of Aldermen  
Town of Cottingham, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Cottingham, Louisiana, as of and for the six months ended December 31, 1990 as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and ~~Government Auditing Standards~~, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Cottingham, Louisiana as of December 31, 1990, and the results of its operations and cash flows of its proprietary fund type for the six months then ended in conformity with generally accepted accounting principles.

The Honorable Paul A. Gouffier, Mayor  
Page 2

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supplementary data in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Cotterport, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Marksville, Louisiana  
June 10, 1997



*Albert R. Berger*

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN ASSESSMENT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Paul A. Cantelero, Mayor  
and the Board of Aldermen  
Town of Cotterport, Louisiana

We have audited the general purpose financial statements of the Town of Cotterport, Louisiana, as of and for the six months ended December 31, 1998, and have issued our report thereon dated June 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town of Cotterport, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Town of Cottonport, Louisiana for the six months ended December 31, 1986, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

  
Ernest A. Singer  
Merrickville, Louisiana  
June 18, 1987



*Arthur R. Lopez*

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT  
OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Paul A. Gauthier, Mayor  
and the Board of Aldermen  
Town of Cotacopost, Louisiana

We have audited the general purpose financial statements of the Town of Cotacopost, Louisiana, as of and for the six months ended December 31, 1998, and have issued our report thereon dated June 18, 1999.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the Town of Cotacopost, Louisiana is the responsibility of the Town's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Town of Cotacopost's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management and the Legislative Auditors of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Marksville, Louisiana  
June 18, 1999



GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

## TOWN OF COTTONPORT, LOUISIANA

COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS  
DECEMBER 31, 1996

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Capital Projects
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 98,216	\$ 72,873	\$ 38
Investments	26,016	20,905	-
Receivables:			
Accrued Interest	578	193	-
Utility	-	-	-
Other	51,641	29,166	63,632
Due from Component Unit	1,798	-	37,463
Due from Other Funds	9	-	20,160
Restricted Assets:			
Cash	-	-	-
Investments	-	-	-
Land	-	-	-
Building and Improvements	-	-	-
Furniture, Fixtures and Equipment	-	-	-
Automobiles, Trucks and Tractors	-	-	-
Plant and Equipment	-	-	-
Construction in Progress	-	-	-
Accumulated Depreciation	-	-	-
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-
<b>TOTAL ASSETS</b>	<b>\$176,278</b>	<b>\$123,937</b>	<b>\$123,256</b>

The accompanying notes are an integral

Proprietary Fund Type Enclosure	Fiduciary Fund Type Agency	Account Groups		Total (Microcransion Only)
		General Fixed Assets	General Long-Term Debt	
\$ 275,999	\$4,677	-	-	\$ 445,625
40,871	-	-	-	87,792
1,899	-	-	-	2,668
35,080	-	-	-	33,080
-	60	-	-	145,499
-	-	-	-	39,261
85	-	-	-	30,158
389	-	-	-	389
25,342	-	-	-	25,342
-	-	60,031	-	60,031
-	-	328,002	-	328,002
-	-	152,733	-	152,733
-	-	179,950	-	179,950
2,938,138	-	-	-	2,938,138
385,184	-	-	-	385,184
11,127,832	-	-	-	11,127,832
-	-	-	40,166	40,166
<u>\$ 2,572,136</u>	<u>\$4,737</u>	<u>\$210,716</u>	<u>\$40,166</u>	<u>\$ 2,751,735</u>

(Continued)

part of the financial statements.

## TOWN OF CUTTONPORT, LOUISIANA

COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS  
DECEMBER 31, 1999

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Capital Projects
<b>LIABILITIES</b>			
Accounts Payable & Accrued Expenses	\$ 10,943	\$ 199	\$ -
Contracts Payable	-	-	67,615
Retainage Payable	10,826	-	19,643
Due to Overights Unit	-	29,261	-
Due to Other Funds	20,160	-	-
Payroll Taxes Payable	-	-	-
Employee Retirement Payable	-	-	-
Employee Contribution Payable	-	-	-
Payable from Restricted Assets:			
Utility Security Deposits	-	-	-
Lease Payable (current portion)	-	-	-
Lease Payable	-	-	-
Total Liabilities	<u>41,959</u>	<u>29,460</u>	<u>111,381</u>
<b>FUND EQUITY</b>			
Contributed Capital	-	-	-
Investment in General Fixed Assets	-	-	-
Retainage Earnings:			
Unreserved	-	-	-
Fund Balance:			
Unreserved			
Designated for Subsequent Year's Expenditures	-	31,476	-
Unassigned	134,344	51,891	38
Total Fund Equity	<u>134,344</u>	<u>82,477</u>	<u>38</u>
Total Liabilities & Fund Equity	<u>\$176,303</u>	<u>\$111,937</u>	<u>\$111,389</u>

The accompanying notes are an integral

Proprietary Fund Type Interim	Fiduciary Fund Type Agency	Account Groups		Total (Microstatement Only)
		General Fixed Assets	General Long-Term Debt	
\$ 8,934	\$ -	\$ -	\$ -	\$ 20,186
-	-	-	-	87,613
-	-	-	-	34,589
-	-	-	-	39,284
-	95	-	-	30,358
-	1,439	-	-	1,439
-	3,038	-	-	3,038
-	173	-	-	173
25,841	-	-	-	25,841
-	-	-	12,582	12,582
-	-	-	27,584	27,584
<u>34,813</u>	<u>4,712</u>	<u>-</u>	<u>40,166</u>	<u>282,468</u>
1,990,662	-	-	-	1,990,662
-	-	730,738	-	730,738
548,648	-	-	-	548,648
-	-	-	-	31,476
-	-	-	-	83,283
<u>2,537,911</u>	<u>-</u>	<u>730,738</u>	<u>-</u>	<u>3,474,808</u>
<u>\$2,572,126</u>	<u>\$4,712</u>	<u>\$730,738</u>	<u>\$40,166</u>	<u>\$2,751,270</u>

(Continued)

part of the financial statements.

TOWN OF COTTONPORT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES-ALL GOVERNMENTAL FUND TYPES  
SIX MONTHS ENDED DECEMBER 31, 1996

	General	Special Revenue	Capital Projects	Total (Memorandum Only)
<b>REVENUES</b>				
Taxes	\$ 15,063	\$77,343	\$ -	\$102,406
Licenses and Permits	3,000	-	-	3,000
Fines and Court Costs	12,634	-	-	12,634
Franchise Fees	67,639	-	-	67,639
Intergovernmental	41,210	300	303,600	345,110
Rental	-	452	-	452
Miscellaneous	12,371	2,383	-	14,754
<b>Total Revenues</b>	<b>161,697</b>	<b>79,998</b>	<b>303,600</b>	<b>545,295</b>
<b>EXPENDITURES</b>				
Current Operating:				
Streets & Bridges	191,030	-	-	191,030
Public Safety:				
Police	61,709	-	-	61,709
Fire	4,250	-	-	4,250
City Court	257	-	-	257
General Government	86,873	33,949	-	120,822
Health and Sanitation	1,346	-	-	1,346
Capital Outlay	-	-	353,777	353,777
<b>Total Expenditures</b>	<b>344,428</b>	<b>33,949</b>	<b>353,777</b>	<b>732,154</b>

(Continued)

The accompanying notes are an integral part of the financial statements.

TOWN OF COTTONPORT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
SIX MONTHS ENDED DECEMBER 31, 1986

	General	Special Revenue	Capital Projects	Total
Excess (Deficiency) of Revenues over Expenditures	\$ (185,357)	\$ 23,997	\$ (48,102)	\$ (209,462)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	60,800	-	48,102	108,902
Operating Transfers Out	(24,328)	(68,000)	-	(92,328)
Total Other Financing Sources (Uses)	<u>36,472</u>	<u>(68,000)</u>	<u>48,102</u>	<u>23,574</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(147,885)	(44,003)	-	(191,888)
Fund Balance - Beginning	182,389	118,488	38	300,915
Fund Balance - Ending	<u>\$ 134,504</u>	<u>\$ 74,485</u>	<u>\$ 38</u>	<u>\$ 209,027</u>

(Continued)

The accompanying notes are an integral part of the financial statements.

TOWN OF COTTONPORT, LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
 PROPRIETARY FUND TYPE  
 SIX MONTHS ENDED DECEMBER 31, 1996

	ENTERPRISE:
<b>OPERATING REVENUES</b>	
Charges for Services	
Water Services	\$135,650
Sewer Services	99,363
LAWCO Water Line	<u>28,143</u>
Total Operating Revenues	<u>263,156</u>
<b>OPERATING EXPENSES</b>	
Water Department	94,816
Sewer Department	62,001
General and Administrative	<u>20,802</u>
Total Operating Expenses	<u>176,919</u>
Operating Income	86,199
<b>NONOPERATING REVENUES/EXPENSES</b>	
Interest on Investments	<u>8,430</u>
Income (Loss) Before Operating Interfund Transfers	<u>94,589</u>
<b>OPERATING TRANSFERS TO</b>	
Operating Transfers Out	<u>23,384</u>

(Continued)

The accompanying notes are an integral part of the financial statements.



## TOWN OF COTTONPORT, LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPE  
SIX MONTHS ENDED DECEMBER 31, 1996

	<u>ENTERPRISE</u>
Net Income	11,085
Add depreciation on fixed assets acquired by grants, contributions, and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>28,682</u>
Increase in Retained Earnings	39,767
Retained Earnings-Beginning	<u>506,582</u>
Retained Earnings-Ending	<u>546,349</u>

(Continued)

The accompanying notes are an integral part of the financial statements.

TOWN OF COTTONPORT, LOUISIANA  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPE  
 SIX MONTHS ENDED DECEMBER 31, 1996

	<u>ENTERPRISE:</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Cash received from customers	\$ 208,252
Cash payments to suppliers for goods and services	(112,076)
Cash payments to employees for services	<u>(32,336)</u>
Net cash provided by operating activities	<u>63,840</u>
<u>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Operating transfers out to other funds	<u>(21,580)</u>
Net cash (used for) noncapital financing activities	<u>(21,580)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Acquisition of plant equipment	(108,488)
Contributed Capital by Federal Grant	85,902
Contributed Capital by Municipality	<u>32,384</u>
Net cash provided by investing activities	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Earnings on invested proceeds	7,715
Proceeds from maturities of investments	<u>34,808</u>
Net cash provided by investing activities	<u>42,523</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>77,766</u>
<u>CASH AT BEGINNING OF YEAR</u>	<u>105,800</u>
<u>CASH AT END OF YEAR</u>	<u>183,566</u>

(Continued)

The accompanying notes are an integral part of the financial statements.

TOWN OF COTTONGRASS, LOUISIANA  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPE  
 SIX MONTHS ENDED DECEMBER 31, 1996

ENTERPRISE

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$36,139
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	34,753
Changes in assets and liabilities:	
Decrease (increase) in accounts receivable	10
Decrease (increase) in other receivable	5,184
Increase (decrease) in accounts payable	(7,832)
Increase (decrease) in customer security deposits	<u>606</u>
Total adjustments	<u>32,701</u>
Net cash provided by operating activities	<u>\$68,840</u>

(Continued)

The accompanying notes are an integral part of the financial statements.

TOWN OF COTTONPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1996

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Cottonport was incorporated on March 28, 1896. On October 21, 1934, under the provisions of the Louisiana Act, the Town began operating under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Cottonport conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidelines set forth in the Legislative Municipal Audit and Accounting Guide, and to the industry audit guide, *Audit of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies.

**Financial Reporting Entity.** This report includes all funds and account groups which are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to incur debt, election or appointment of governing body, and other general oversight responsibility. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

Included within the reporting entity:

**Cottonport Volunteer Fire Department.** The Cottonport Volunteer Fire Department Fire Chief and assistant Fire Chief are appointed by the Town of Cottonport's mayor and Board of Aldermen. The Fire Chief is held accountable to make reports to the Town's Mayor and Board of Aldermen as they may require. These financial statements include expenditures incurred directly by the Town for the Volunteer Fire Department from public funds in a Special Revenue Fund. These financial statements do not include operating expenditures paid with self-generated funds of the Cottonport Volunteer Fire Department, which are immaterial for the six months ended December 31, 1996.

(Continued)

TOWN OF COUPOURVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1996

Excluded from the reporting entity:

**Cotopout Industrial Development Board.** The Cotopout Industrial Development Board is governed by citizens appointed by the Town of Cotopout's Mayor and Board of Aldermen, but assets and expenses incurred are not controlled by the Town and thereby not included in this report.

**Cotopout Housing Authority.** The Cotopout Housing Authority Commission is appointed by the Town of Cotopout's Mayor and Board of Aldermen, however no control is exercised over its operations.

**Measurement Focus, Basis of Accounting and Basis of Presentation.** The accounts of the Town of Cotopout are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The Town of Cotopout has the following fund types and account groups:

**Governmental Funds-**

Governmental funds are used to account for the Town of Cotopout's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when measurable to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town of Cotopout considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unamortized interest on general long-term debt which is recognized when due.

Property taxes, franchise taxes, licenses, interest, and charges for services are susceptible to one year. Sales taxes collected and held by the tax collector at year end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

Governmental funds include the following fund types:

The general fund is the Town's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).

The capital projects funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonspendable trust funds.

**Proprietary Funds-**

Proprietary funds are accounted for on the flow of economic resources measurement basis and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded as the time liabilities are incurred. The Town applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations. Proprietary funds include the following fund types:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

**Fiduciary Funds-**

Fiduciary funds account for assets held by the Town in a trustee capacity or as an agent on behalf of others. Fiduciary funds include the following fund types:

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the Town holds for others in an agency capacity.

**Account Groups-**

The general fixed assets account group is used to account for fixed assets not accounted for in proprietary or trust funds. The general long-term debt account group is used to account for the general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1996

**Cash.** Cash includes amounts in cash on hand, demand deposits, and time deposits. Cash equivalents include amounts in time deposits with original maturities of three months or less. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**Cash Flow Presentation.** For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Investments.** Under state law, the Town may invest in United States bonds, treasury notes, or certificates. Investments, which consist of interest-bearing certificates of deposit with maturities greater than three months in local financial institutions, are stated at cost. At June 30, 1996, cost approximated market value on investments held by the Town.

**Bad Debts.** Uncollectible amounts due for ad valorem taxes and customer's utility receivables are recognized as bad debts through the establishment of an allowance amount at the time information becomes available which would indicate the uncollectibility of the particular receivable. Uncollectible amounts at December 31, 1996 were immaterial.

**Inventories.** Purchase of various operating supplies are regarded as expenditures at the time purchased, as inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year due to immateriality. At December 31, 1996 inventories of supplies is immaterial.

**Fixed Assets.** Fixed assets used in government fund types of the Town of Cottonport are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is capitalized on general fixed assets. For the six months ended December 31, 1996, there were no interest charges capitalized on fixed assets acquired or constructed.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Town) are not capitalized.

The cost of routine maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group or capitalized in the proprietary funds.

Property, plant and equipment in the proprietary funds of the Town are recorded at cost. Property, plant and equipment donated to these proprietary fund type operations are recorded at their estimated fair value at the date of donation.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1996

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment are depreciated in the proprietary funds of the Town of Cottonport using the straight line method over the following estimated useful lives:

Water Utility	
Wells	20 years
Motors and Pumps	10 years
Buildings	20 years
Lines	50 years
Vehicles & Other Equipment	5 years
Sewerage Utility	
Lines & Treatment Plant	50 years
Autos & Trucks	5 years
Other Equipment	6-10 years

Depreciation expense on fixed assets used by the proprietary funds for the six months ended December 31, 1996 is \$94,783. Accumulated depreciation on fixed assets used by the proprietary funds at December 31, 1996 is \$1,827,532.

**Accumulated Unpaid Vacation, Sick pay, and other Employee Benefits.** The Town of Cottonport has the following policy relating to vacation and sick leave:

Vacation and sick leave are operated on a fiscal year basis beginning January 1st through December 31st.

Employees with tenure of one to five years are entitled to one week of vacation per year. Employees with six to fifteen years of service are entitled to two weeks of vacation per year. Employees with sixteen or more years of service are entitled to three weeks of vacation per year. All vacation must be taken by January 31st of the succeeding year. Unused vacation days do not accumulate.

(Continued)



TOWN OF COTTONPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1996

Employees with tenure of one to five completed years of service are entitled to five days of sick leave for each year of service and accumulate one additional day for each year thereafter. Sick leave may not be substituted for pay. Therefore, employees who resign, retire, or who are dismissed from employment are not entitled to payment for any accrued sick leave.

The cost of current leave privileges are recognized as a current-year expenditure in the governmental funds when leave is actually taken. Pro accounts for accumulated compensated absences have been made in these financial statements.

**Long-Term Obligations.** Long term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

**Total Columns on Combined Statements - Overview.** Total columns on the combined statements - overview are captioned as "Miscellaneous Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation. Intended eliminations have not been made in the aggregation of this data.

**NOTE 2. CASH AND CASH EQUIVALENTS**

At December 31, 1996, the Town has cash and cash equivalents (bank balances) totaling \$480,727, as follows:

Cash:	
Cash on hand	\$ 100
Demand deposits	302,661
Time deposits	178,061
<b>Total</b>	<b>\$ 480,722</b>

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledge securities plus the federal deposit insurance must at all times equal the amount on deposits with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1996, the Town has \$418,394 in deposits (collected bank balances). These deposits are secured from risk by \$141,283 of federal deposit insurance and \$276,459 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 29:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 90 days of notification by the Town that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3. INVESTMENTS

At December 31, 1996, the Town has investments totaling \$112,634. These investments are stated at cost, which approximates market and are secured from risk by federal deposit insurance.

NOTE 4. UTILITY RECEIVABLES

In the enterprise fund utility receivables were immaterial at December 31, 1996. Billed receivable balance at December 31, 1996 of \$50,040 consisted of the following:

Current billings	\$ 33,040
Over 30 days	-
Over 60 days	-
	<u>\$ 33,040</u>

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1996

NOTE 5. OTHER RECEIVABLES

Other receivables of \$143,482 consisted of the following at December 31, 1996:

Franchise Fees	\$ 26,364
Tobacco Taxes	2,683
Road Maintenance Refund	2,382
Casino Revenues	6,899
Video Poker Revenues	4,584
MSP Receivable	56
Employee Receivable	80
Ad Valorem Taxes	22,793
Sales Taxes	15,854
State Grants	68,132
Federal Grants	<u>3,580</u>
Total	<u>\$143,482</u>

NOTE 6. INTERFUND RECEIVABLES, PAYABLES

	Interfund Receivable	Interfund Payable
General Fund	\$ 9	\$20,160
Enterprise Fund	85	-
Fire Station Construction Fund	30,163	-
Agency Fund	-	93
	<u>\$30,257</u>	<u>\$20,253</u>

NOTE 7. RESTRICTED ASSETS - PROPRIETARY FUND TYPE

Restricted assets were applicable to the following at December 31, 1996:

Customer Money Deposits	<u>\$ 23,884</u>
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(Continued)

TOWN OF COTTONPORT, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 1996

**NOTE 8. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance 6/30/95	Additions	Deletions	Balance 12/31/96
Land & Improvements	\$ 60,011	\$ -	\$ -	\$ 60,011
Building & Improvements	328,162	-	-	328,002
Furniture, Fixtures, & Equipment	124,890	27,825	-	152,715
Vehicles & Tractors	178,950	-	-	178,590
Totals	<u>\$692,013</u>	<u>\$ 27,825</u>	<u>\$ -</u>	<u>\$720,128</u>

A summary of proprietary fund type property, plant and equipment at December 31, 1996 follows:

**Water System:**

Water lines, well and extensions	\$1,693,314
Meters and pumps	45,481
Service vehicles	32,893
Office equipment	5,801
Building and fences	22,100
Other equipment	38,149

**Sewer System:**

Treatment Facility and Lines and Equipment	\$1,828,388
	\$2,858,128
Less: Accumulated Depreciation	(1,127,330)
Net	<u>\$1,811,628</u>

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1996

NOTE 9. CONSTRUCTION IN PROGRESS

Construction in progress of \$385,184 at December 31, 1996 consists of expenditures through December 31, 1996 for the Town's sewer plant improvements.

NOTE 10. CAPITAL LEASE

The Town of Cottonport has entered into two lease agreements as lessee for financing the acquisitions of a pot pile patcher and a tractor for its General Fund. These lease agreements qualify as capital leases for accounting purposes (leases contain an option to purchase the leased properties) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The following is an analysis of the equipment leased under these capital leases as of December 31, 1996:

	General Fund
	<u>Assets</u>
Furniture, Fixtures and Equipment	\$28,156
Automobiles, Trucks and Tractors	16,261
Carrying value	<u>\$44,417</u>

The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at December 31, 1996:

	General
	Lease Term
Year Ending June 30	<u>Debt</u>
1997	\$15,828
1998	14,253
1999	9,508
2000	<u>7,176</u>
Total minimum lease payments	46,765
Less: Amount representing interest	<u>(2,352)</u>
Present value of future minimum lease payments	<u>\$44,413</u>

(Continued)

## TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1996

## NOTE 11. CHANGES IN AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES YEAR ENDED DECEMBER 31,  
1996

ASSETS	Balance July 1, 1996	Additions	Deductions	Balance Dec. 31, 1996
Cash	\$ 4,572	\$ 137,588	\$137,483	\$ 4,677
Other Receivables	116	501	613	6
	<u>\$ 4,688</u>	<u>\$ 138,089</u>	<u>\$138,096</u>	<u>\$ 4,752</u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ 95	\$ 148,360	\$148,362	\$ 95
Payroll Taxes Payable	1,283	48,046	36,892	2,637
Retirement Payable	3,282	6,415	6,589	3,108
Employee Garnishment Payable	6	875	738	113
	<u>\$ 4,666</u>	<u>\$ 199,696</u>	<u>\$192,581</u>	<u>\$ 4,752</u>

## NOTE 12. DESIGNATION OF FUND BALANCE

In the Special Revenue Fund, the unreserved fund balance in the Volunteer Fire Department Fund has been designated in the amount of \$21,475 for the purchase of equipment or supplies, salaries of officers, repair of equipment, training and/or training aids, fire station building and/or maintenance, and/or any other fire protection related expense within the subdistrict, pursuant to Article 8 of Acadiana Fire Protection District #2.

## NOTE 13. CHANGES IN CONTRIBUTED CAPITAL

During the six months ended December 31, 1996, the contributed capital in the enterprise fund increased by \$109,489 as a result of capitalization of sewer plant improvements funded by a grant from the Louisiana Community Development Block Grant (LCDBG) Program.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1996

**NOTE 14. AD VALOREM TAXES**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessors of Avoyelles Parish.

For the six months ended December 31, 1996, taxes of 6.14 mills were levied on property with assessed valuations totaling \$4,534,710 and were dedicated as follows:

General Corporate Purposes	6.14 mills
----------------------------	------------

Total taxes levied were \$27,843.

**NOTE 15. DEDICATION OF 1% SALES TAX REVENUES**

On October 21, 1985, the voters of the Town of Cottonport approved a one percent (1%) sales and use tax for a period of twenty-five years from April 1, 1986. The revenues derived from said sales and use tax are to be used for the purposes of constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal works, waterworks facilities, public streets and drainage facilities.

**NOTE 16. WATER PURCHASE CONTRACTS**

The Town of Cottonport has various contract agreements in effect for the sale of water with details and terms as follows:

Louisiana Water Company (LAWCO) - contract dated July 1, 1985 requiring the Town of Cottonport to supply water for resale in Mansura, Louisiana for a period of twenty(20) years at a rate of \$1.20 per 1,000 gallons up to 2,500,000 gallons and \$1.35 per 1,000 gallons in excess of 2,500,000 gallons with a minimum of \$500 per month.

(Continued)

TOWNSHIP OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1995

Ward 3 Aveyalles Water District - contract dated January 23, 1995 requiring the Town of Cottonport to supply water for resale to Ward 3 of Aveyalles Parish for twenty (20) years at a rate of \$1.02 per 1,000 gallons up to 3,000,000 gallons and \$1.10 per 1,000 gallons in excess of 3,000,000 gallons with a minimum rate of \$380 per month.

Village of Pincheville - contract dated February 1, 1996 requiring the Town of Cottonport to supply water for resale to Pincheville, Louisiana for a term of one (1) year at a rate of \$1.02 per 1,000 gallons per month.

Louisiana Correctional Facilities Corporation - contract dated June 30, 1988 requiring the Town of Cottonport to supply water for resale to the Medium Security Prison in Cottonport for a one year period from the initial date water is transported at a rate of \$0.70 per 1,000 gallons. Rate is to be adjusted annually upon renewal for not more than seven (7) each renewal term. On January 1, 1990 the rate was increased to \$0.82 per 1,000 gallons. On November 15, 1995 the rate was increased to \$1.20 per 1,000 gallons effective January 1, 1996.

NOTE 17. FRANCHISE AGREEMENTS

The Town enters into franchise agreements with various public utility companies that provide services within the corporate limits of the Town. A summary of each such agreement follows:

Central Louisiana Electric Company, Inc. (CLECO) - effective October 9, 1985 for a period of thirty (30) years. Franchise fee is based on four percent (4%) of the gross receipts from the sale and delivery of electric energy for residential and commercial purposes billed on commercial and residential rates within the limits of the Town. Fees are payable quarterly within thirty (30) days of the end of the quarter. Other franchise provisions are as follows:

Franchise payments will be reduced in an amount equal to the sum of any new or increased taxes of any nature whatsoever levied by the municipality and payable by CLECO (except uniform ad valorem taxes, based on property values). CLECO will provide free electric service to the Town and reduce street light rates until November 1988. Thereafter, prevailing commercial rates shall apply and street light rates will increase.

(Continued)



**TOWN OF COTTONGRANT, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998**

**Galaxy Cablevision** - effective June 8, 1983 for a period of fifteen (15) years. The franchise fee is based on five percent (5%) of gross subscription receipts, less state sales taxes, federal excise tax and copyright received by the company within the Town city limits. Fees are payable to the Town quarterly, by the 10th of the following month. On May 31, 1994 the Town transferred this franchise agreement from Galaxy Cablevision to Friendship Cable and extended the agreement for an additional thirteen (13) years after expiration of the original franchise.

**Entex** - effective July 12, 1995 for a period of fifteen (15) years. Franchise fee is based on four percent (4%) of the gross receipts from the sale of gas for residential and commercial purposes billed on residential and commercial rates within the limits of the Town. Fees are payable on or before the 30th day of each February.

**Central Louisiana Telephone Company** - effective January 1, 1994 for a period of twenty-five (25) years. The franchise fee is based on five percent (5%) of the approved tariff rate for local access line telephone service provided by the Company within the corporate limits of the Town and the Company shall provide free to the Town three (3) local access lines. Fees are payable no later than sixty (60) days after the end of each calendar quarter.

**NOTE 18. ROAD MAINTENANCE AGREEMENTS**

On July 1, 1992 the Town of Cottogrant entered into a maintenance agreement with the Department of Transportation and Development for a one-year period whereby the Town of Cottogrant will maintain its municipal streets and roads, including mowing and litter pickup, and the Department of Transportation and Development will reimburse the Town with semi-annual payments totaling \$4,905, which is determined at a rate of \$821 per mile for 5 miles of undivided streets per year.

**NOTE 19. SALES TAX COLLECTION AGREEMENT**

On June 5, 1992, the Town of Cottogrant entered into an intergovernmental agreement with the Avoyelles Parish School Board for a one year period commencing on July 1, 1992 whereby the School Board will collect the sales and use taxes, including interest, penalties, fees and cost, levied by the Town of Cottogrant under the Town's ordinances for a monthly fee of 1 1/2% of the gross tax revenues collected by the School Board. The School Board will remit the sales tax collections to the Town of Cottogrant on a monthly basis no later than the 30th day of each month after reasonable and necessary cost and expenses of collection and administration of the taxes have been deducted, including the collection fee. This contract automatically renewed for a one year period commencing July 1, 1996.

(Continued)

TOWN OF COTTONPORT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1996

NOTE 20. RETIREMENT COMMITMENTS

Substantially all full time employees of the Town are eligible to participate in the Municipal Employees' Retirement System, a multiple-employer public employee retirement system. Police officers are eligible to participate in the Municipal and State Police Retirement Systems of Louisiana, a multiple-employer public employee retirement system. For the current year, however, no one in the police department chose to participate.

**Municipal Employees' Retirement System**

The Municipal Employees Retirement System (the System) is a cost-sharing multiple-employer public employee retirement system (PERS), controlled and administered by a separate board of trustees.

All members of the Municipal Employee's Retirement System are participants in either Plan A or Plan B according to the provisions of the agreement entered into by their employer. All employees of a participating employer must participate in the same plan. The Town of Cottonport is a participant in Plan B and following summary of plan provisions that pertain to B only.

Membership is mandatory by the employer as a condition of employment beginning on date employed if the employee is working on a permanent regularly scheduled basis of at least 24 hours per week, and not participating or eligible for membership in another public funded retirement system and under age 80 at date of employment.

Elected officials are considered full time employees and must be enrolled if they meet eligibility requirements. Members are eligible for retirement benefits when they meet one of the following: (1) Age 55 with thirty years of creditable service; (2) Age 60 with a minimum of ten years of creditable service; (3) Disability requires ten years of creditable service; or (4) Survivor's benefits require twenty years creditable service at death of member. The monthly amount of the retirement allowance for any member shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service; elected officials receive an additional one-half percent of final compensation for each year of such elective service. The retirement allowance is reduced by three percent for each year that the member is below the age of sixty-two at the time of retirement, unless he has at least thirty years of creditable service or unless he is an elected official with at least fifteen years of service as an elected official. The retirement benefit may not exceed seventy dollars per month for each year of creditable service.

(Continued)

TOWN OF COTTONPORT, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 1996

Covered employees are required to contribute 5.00% of the total monthly earnings, excluding bonuses or fees in excess of regular salary or retainer, overtime pay, or payments relative to termination of employment. The Town is required to contribute 3.25% of each and every member's earnings.

Although contributions are determined by state statute rather than actuarial calculations, actuarially required contributions are determined for the System. The following provides certain disclosures for the Town of the retirement System that are required by GASB Codification Section F20.127:

Town:			
Total eligible payroll	\$	75,461	
Covered payroll		73,461	
Actuarially required contribution for the entire System:			
Dollar amount	\$	3,518,277	
Percent of payroll		10.27%	
Actuarially required contribution for Town:			
Dollar amount	\$	6,860	
Percent of total actuarially required contribution		.17%	
Statutorily required contributions for Town:			
Employee	\$	2,387	
Employer		3,673	
Total	\$	6,060	
Actual contribution for Town:			
Employee	\$	2,387	
Employer		3,673	
Total	\$	6,060	
Pension benefit obligation		\$25,655,435	
ASAS		82,329,127	
Unfunded pension benefit obligations		<u>\$ 18,373,298</u>	

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among FERS and employees. The System does not make separate measurements of assets and pension benefit obligations for individual employees.

(Continued)

**TOWN OF COTTONPORT, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1996**

Historical trend information showing the System's progress is accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1996 actuarial valuation report. The Town does not guarantee the benefits granted by the System.

**NOTE 21. COMPENSATION OF ELECTED OFFICIALS**

A detail of compensation paid to individual elected officials for the six months ended December 31, 1996, are as follows:

		<u>Term Expires</u>
Cleveland Carrouble, Mayor	\$ 4,344	12/31/96
<i>Aldermen:</i>		
Dwile H. Blumstein	600	12/31/96
Rickey Broadbent	600	12/31/96
Labe L. Welch	600	12/31/96
Louis J. Laurent	600	12/31/96
Sarah A. Williams	600	12/31/96
Gerald Mayman, Police Chief	<u>10,734</u>	12/31/96
	<u>\$18,478</u>	

**NOTE 22. FEDERAL FINANCIAL ASSISTANCE**

On June 09, 1993 the Town of Cottonport was awarded funding in the amount of \$261,600 under the FY 1993 Louisiana Community Development Block Grant (LCDBG) Program for sewer reclamation. As of December 31, 1996, the Town has received and expended \$261,600 (amount in \$) under this grant.

(Continued)

## SUPPLEMENTARY DATA

#### GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in a separate fund.

TOWN OF COTTONPORT, LOUISIANA  
 GENERAL FUND  
 STATEMENT OF REVENUES  
 SIX MONTHS ENDED DECEMBER 31, 1996

	<u>Actual</u>
<b>REVENUES</b>	
Tax-All Valorem	\$25,065
Licenses and Permits-Occupational	
Licenses/Permits	2,000
Fines and Court Costs	22,436
Franchise Fees	67,609
Intergovernmental	
Beer Tax	2,347
Tobacco Tax	5,366
Housing Authority-In lieu of taxes	4,534
DOTD Maintenance Payment	2,582
Video Poker Revenue	9,678
Casino Revenue	16,483
State Grant	500
Rental Income	452
Miscellaneous	
Excise Tax Refund	403
Grant Cutting	915
Copies	10
Christmas Festival Funds	3,613
Interest Income	3,742
Miscellaneous Income	1,528
<b>Total Revenues</b>	<b>\$101,021</b>

TOWN OF COTTONPORT, LOUISIANA  
 GENERAL FUND  
 STATEMENT OF FUNCTIONAL EXPENDITURES  
 SIX MONTHS ENDED DECEMBER 31, 1998

	<u>Actual</u>
<b>STREETS AND DRINKIES</b>	
Salaries	\$ 36,485
Tire/Market Expenses	188
Traction Expenses	1,587
Materials & Supplies	2,839
Insurance	8,925
Payroll Taxes	2,048
Miscellaneous	1,171
Vaporad Lights	8,519
Employee Benefits	379
Capital Outlay	11,413
Repairs and Maintenance	119,878
Equipment Lease Payments	<u>7,814</u>
<b>Total Street Department</b>	<b><u>\$201,833</u></b>
<b>POLICE</b>	
Salaries	\$38,968
Fuel/Car Expense	5,682
Telephone	155
Insurance	7,378
Payroll Taxes	3,179
Uniforms	484
Materials & Supplies	1,215
Miscellaneous	1,565
Employee Benefits	3,075
Capital Outlay	<u>1,153</u>
<b>Total Police Department</b>	<b><u>\$61,709</u></b>

(Continued)



TOWN OF COTTONPORT, LOUISIANA  
 GENERAL FUND  
 STATEMENT OF FUNCTIONAL EXPENDITURES  
 SIX MONTHS ENDED DECEMBER 31, 1996

	<u>Actual</u>
<b>FIRE</b>	
Salaries	\$ 1,950
Insurance	2,086
Payroll Taxes	151
Employee Benefits	<u>63</u>
Total Fire Department	<u>4,250</u>
<b>CITY COURT</b>	
Prisoner Rations	250
Miscellaneous	<u>5</u>
Total City Court	<u>255</u>
<b>GENERAL AND ADMINISTRATIVE</b>	
Salaries	19,654
Legal & Auditing	14,289
Insurance	4,722
Miscellaneous	3,788
Office Supplies	3,830
Publications and Printing	790
Town Hall Expenses	1,640
Telephone	1,434
Utilities	1,963

(Continued)

TOWN OF COTTENPORT, LOUISIANA  
 GENERAL FUND  
 STATEMENT OF FUNCTIONAL EXPENDITURES  
 SIX MONTHS ENDED DECEMBER 31, 1996

	<u>Actual</u>
Payroll Taxes	1,518
Repairs and Maintenance	11,510
Books & Subscriptions	1,189
Employee Benefits	3,238
Community Center Expenses	440
Assessor Fees	750
Travel & Conventions	2,240
Recreation Park Expenses	200
Capital Outlay	1,335
Election Expense	198
Bank Service Charge	6
Copies Rental Payments	918
Christmas Festival Expenses	<u>9,369</u>
Total General and Administrative	<u>86,003</u>
<b>HEALTH AND SANITATION</b>	
Pest Control	75
Solid Waste Disposal	<u>1,071</u>
Total Health and Sanitation	<u>\$ 1,146</u>

(Continued)

### SPECIAL REVENUE FUNDS

**Sales Tax Fund** - To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated for the constructing, acquiring, extending, improving, operating and maintaining the following:

- A. Streets and Sewerage Disposal Facilities
- B. Waterworks Facilities
- C. Public Streets
- D. Drainage Facilities

**Volunteer Fire Department Fund** - To account for the activities of the Cotuitport Volunteer Fire Department (a component unit of the Town of Cotuitport)

TOWN OF COTTONPORT, LOUISIANA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 1986

	<u>Sales Tax Fund</u>	<u>Volunteer Fire Department Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$15,041	\$97,032	\$ 72,073
Investments	20,508	-	20,508
Receivables -			
Sales Taxes	15,684	-	15,684
Ad Valorem Taxes	-	13,512	13,512
Interest	-	189	189
<b>TOTAL ASSETS</b>	<b><u>31,200</u></b>	<b><u>20,737</u></b>	<b><u>121,937</u></b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts Payable	189	-	189
Due to Oversight Unit	-	29,261	29,261
<b>Total Liabilities</b>	<b><u>189</u></b>	<b><u>29,261</u></b>	<b><u>29,450</u></b>
<b>FUND EQUITY</b>			
Fund Balance:			
Unassigned:			
Designated	-	31,476	31,476
Undesignated	31,001	-	31,001
<b>Total Fund Equity</b>	<b><u>31,001</u></b>	<b><u>31,476</u></b>	<b><u>62,477</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$31,200</u></b>	<b><u>\$20,737</u></b>	<b><u>\$121,937</u></b>

TOWN OF COTTONPORT, LOUISIANA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
SIX MONTHS ENDED DECEMBER 31, 1996

	Sales Tax <u>Used</u>	Volunteer Fire Department Fund	<u>Total</u>
<b>REVENUES</b>			
Taxes			
Sales Taxes	\$53,296	\$ -	\$53,296
6 MB Tax	-	24,047	24,047
Intergovernmental			
Appropriations from Police Jury	-	300	300
Miscellaneous			
Interest Income	1,283	1,018	-
Miscellaneous Income	-	-	2,303
Total Revenues	<u>54,581</u>	<u>25,365</u>	<u>79,946</u>
<b>EXPENDITURES</b>			
General Government			
Collection Fees	656	-	656
Bank Service Charges	1	-	1
Truck Expenditures	-	1,899	1,899
Repairs and Maintenance	-	182	182
Materials and Supplies	-	1,446	1,446
Miscellaneous	-	329	329
Appropriations to Oversight Unit	-	37,463	37,463
Capital Outlay	-	13,823	13,823
Total Expenditures	<u>5,857</u>	<u>\$55,282</u>	<u>\$59,949</u>

(Continued)

TOWN OF COTTONPORT, LOUISIANA  
 SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE  
 SIX MONTHS ENDED DECEMBER 31, 1996

	<u>Sales Tax Fund</u>	<u>Volunteer Fire Department Fund</u>	<u>Total</u>
Excess (Deficiency) of Revenues over Expenditures	53,934	(29,927)	23,997
<b>OTHER FINANCING SOURCES</b>			
1995			
Operating Transfers Out	,000,000	—	,000,000
Total other Financing Sources (Uses)	,000,000	—	,000,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	95,974	(29,927)	(34,000)
Fund Balance - Beginning	57,977	61,489	119,466
Fund Balance - Ending	\$51,931	\$31,430	\$83,361

(Continued)

### **CAPITAL PROJECTS FUND**

**Sewer Plant Improvements Fund** - To account for the financing and construction for sewer plant improvements funded by a \$261,000 Louisiana Community Development Block Grant.

**Fire Station Construction Fund** - To account for the financing and construction for a fire station funded by a \$200,000 Louisiana Office Facility Planning and Control Grant.

TOWN OF COTTONPORT, LOUISIANA  
 CAPITAL PROJECTS FUNDS  
 COMBINED BALANCE SHEET  
 DECEMBER 31, 1996

	Sewer Plant Improvements Fund	Fire Station Construction Fund	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 10	\$ 28	\$ 38
Receivables -			
Federal Grant	3,500	-	3,500
State Grant	-	60,132	60,132
Due from Other Funds	-	28,163	28,163
Due from Component Unit	-	37,663	37,663
<b>TOTAL ASSETS</b>	<b><u>3,510</u></b>	<b><u>117,786</u></b>	<b><u>121,296</u></b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Contracts Payable	3,500	94,115	97,615
Retainage Payable	-	23,643	23,643
<b>Total Liabilities</b>	<b><u>3,500</u></b>	<b><u>117,758</u></b>	<b><u>121,258</u></b>
<b>FUND EQUITY</b>			
Fund Balance:			
Unassigned	10	28	38
<b>Total Fund Equity</b>	<b><u>10</u></b>	<b><u>28</u></b>	<b><u>38</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>3,510</u></b>	<b><u>117,786</u></b>	<b><u>121,296</u></b>



TOWN OF COTTUMPT  
 CAPITAL PROJECTS FUND  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 SIX MONTHS ENDED DECEMBER 31, 1996

	Sewer Plant Improvements Fund	Fire Station Construction Fund	Total
<b>REVENUES</b>			
Intergovernmental			
Federal Grant	\$ 89,402	\$ -	\$ 89,402
State Grant	-	178,800	178,800
Appropriations from Component Units	-	32,463	32,463
Total Revenues	<u>89,402</u>	<u>211,263</u>	<u>300,665</u>
<b>EXPENDITURES</b>			
Capital Outlay			
Construction	93,900	236,426	330,326
Engineering	6,084	4,565	10,649
Administration	5,000	-	5,000
Total Expenditures	<u>112,984</u>	<u>240,991</u>	<u>353,975</u>
Excess (Deficiency) of Revenues over Expenditures	(23,582)	(29,728)	(53,310)
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating Transfers In	23,584	29,728	53,312
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	-	-
Fund Balance - Beginning	0	28	28
Fund Balance - Ending	<u>\$    0</u>	<u>\$    28</u>	<u>\$    28</u>

#### ENTERPRISE FUND

*Water and Sewer Fund - To account for the provision of water and sewer services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.*

TOWN OF CUTTONPORT  
 ENTERPRISE FUNDS  
 STATEMENT OF EXPENSES  
 SIX MONTHS ENDED DECEMBER 31, 1996

	Actual
<b>EXPENSES:</b>	
<b>Water System</b>	
Salaries	\$ 8,050
Materials & Supplies	6,441
Utilities & Telephone	28,366
Chemicals	4,059
Truck/Tractor Expense	2,452
Insurance	6,886
Repairs & Maintenance	18,156
Payroll Taxes	621
Employee Benefits	277
Miscellaneous	802
Depreciation	<u>18,510</u>
	<b><u>\$84,810</u></b>
 <b>Sanitary System</b>	
Salaries	12,184
Truck/Tractor Expense	5,081
Repairs & Maintenance	5,680
Materials & Supplies	7,251
Chemicals	3,588
Utilities	5,385
Employee Benefits	250
Miscellaneous	2,188
Payroll Taxes	945
Insurance	3,308
Depreciation	<u>13,823</u>
	<b><u>\$62,001</u></b>

(Continued)

TOWN OF CUSTONPORT  
ENTERPRISE FUNDS  
STATEMENT OF EXPENSES  
SIX MONTHS ENDED DECEMBER 31, 1996

	<u>Actual</u>
<b>General &amp; Administrative</b>	
Salaries	\$12,954
Office	2,169
Legal & Auditing	2,850
Payroll Taxes	956
Employee Benefits	1,753
Bank Service Charge	<u>18</u>
	<u>\$20,700</u>

(Continued)

TOWN OF CANTONPORT

SCHEDULE OF PRIOR YEAR FINDINGS  
DECEMBER 31, 1996

During our audit of the June 30, 1996 general purpose financial statements two (2) compliance findings were mentioned. The following listing indicates the June 30, 1996 findings and the status of each as of December 31, 1996.

Finding / Noncompliance	Status at June 30, 1996
<b>Compliance Findings -</b>	
1. As required by the Drug-Free Workplace Act all grantees receiving grants from any Federal agency must certify that they will provide a drug-free workplace.  For the fiscal year ended June 30, 1996, the Town of Cantonport had a drug-free workplace policy published in its personnel policy; however, they had not established an ongoing drug-free awareness program.	1. At December 31, 1996, management was in the process of revising its personnel policy which will include provisions to its drug-free workplace policy to adhere to all requirements of the Drug-Free Workplace Act.
2. During the fiscal year ended June 30, 1996, 163 (37.82%) of the 431 tickets issued by the Town's police department were dismissed by the Town's judge. This caused a significant loss of revenues to the Town.	2. Effect January 01, 1997, a new magistrate was appointed by the Town council and a new policy was implemented requiring dismissed tickets be reviewed by the Town administration on a periodic basis.